

TOWN OF



AMHERST MASSACHUSETTS

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To: Amherst Board of Assessors
Amherst Select Board
Laurence Shaffer, Town Manager

From: David Burgess, Principal Assessor *DB*

Re: Fiscal Year 2010 Assessments and Tax Rate

Date: December 4th 2009

I want to take this opportunity to explain the changes in values and the tax rate for FY 2010.

The overall assessed value of the Town of Amherst has dropped from \$2,204,262,100 in FY 2009 to \$2,127,375,010 in FY 2010; approximately 3.5%. This change has been driven mostly by a decrease of \$82,500,000 or 4.1% of the base, in the residential class of property, with a growth in the commercial, industrial, and personal property classes of 3.5%.

In FY 09 the CIP classes accounted for 9.225% of the base and now make up 9.8201%; a change of approximately \$5,566,000.

The decrease in residential values has come about as a result of the economic changes we have experienced in this area and across the nation, but not as severely as many areas surrounding Amherst. In FY 2010 the average single family value will decrease from \$355,300 in FY 2009 to \$334,300. However, it is important to note that the tax rate will change from \$15.82 to \$16.95 and the average single family home will pay \$46 more than last year.

Because the two factors which determine the tax rate are property values and the amount to be appropriated to cover the budget voted by Town Meeting, then a decrease in valuation and an increase in the amount to be appropriated will cause the tax rate to increase.

This increase, therefore, is a result of the 3.5% decrease in valuation and the 2.5% increase allowable under Proposition 2 ½ and New Growth.

To show the Levy Limit increase I have attached the computation form used in determining the Levy Limit. The calculation of the tax rate is simply the total amount of tax to be raised divided by the total assessment giving a millage rate expressed as a dollar amount per thousand of assessed valuation.

See the FY 2009 and FY 2010 calculations below.

FY 2009 Levy = \$ 34,871,426.42 - Assessed Valuation = \$ 2,202,262,100

Millage rate = $34,871,426.42 / 2,202,262,100 = .01582$

Expressed as dollars per thousand = \$15.82

FY 2010 Levy = \$ 36,059,007 - Assessed Valuation = \$ 2,127,375,010

Millage rate = $36,059,007 / 2,127,375,010 = .01695$

Expressed as dollars per thousand = \$16.95

At this time I want to say a word about what I think we can expect, with relation to valuations in FY 2011. While it is early in the process I expect that values will either stay the same or be lowered slightly. I base this on sales information through November 30th of 2009.

In 2008, up to November 30th, we had 92 sales with a median sales price of \$364,950 and a median assessed value of \$321,600 giving an assessment to sales ratio of 92%.

In 2009, for the same period, we have 97 sales with a median sales price of \$314,000 and a median assessed value of \$296,800 with an assessment to sales ratio of 95%. These figures use the new assessed values for FY 2010 and show a very slight downward change.

It should be noted that not all sales information has been validated by this office.